

Measuring Social Effectiveness of Public Institutions: A Contribution to Methodology

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Abstract This paper brings an outline and preliminary results of a 2-year project aiming at assessing the social effectiveness of public policy institutions. The effectiveness of public institutions is an important indicator of the success and prosperity of a country. It is usually measured indirectly via data such as public officer numbers, the quality of legislation regulating the relations between the public administration and its users, and by the satisfaction of the population with the public administration bodies. In this area, the Czech Republic sadly lags behind most developed countries. The authors bring their own concept of social effectiveness, which is inspired mainly by the principles of good public administration, open government, public value, and social and ethical auditing.

Keywords Mind maps • Public policy • Efficiency and effectiveness • Social climate • Organizational culture

This research was supported by Technology Agency of the Czech Republic, project-no: TA176S01001.

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1 Introduction

The existing analyses of public administration show that the Czech Republic is significantly falling behind on an international scale. This situation is convincingly illustrated by OECD reviews and surveys. According to a recent study of 2015 (OECD 2015a, b, p. 41–42), spending on public administration is, per capita (PPP-adjusted), less than three quarters of the average OECD country. However, indicators of the performance of the public administration—the degree of corruption and regulation, the quality of justice and the level of government efficiency—are also comparatively low. In this context, the study explains (OECD 2015a, b, p. 41) that even allowing for low spending levels, performance could be improved by around one-third.

A major outlook is also represented by confidence in government and public administration. Not even in this aspect may the situation be marked as satisfactory as evidenced, for instance, by the level of confidence published in an OECD comparative study *Government at a Glance* (available at <http://www.oecd-ilibrary.org/governance/government-at-a-glance-2015>). Perception surveys conducted by Gallup World Poll show that the confidence of Czech citizens and business in the government reached only 36% in 2014 which is about 5 p.p., below the OECD average. The only positive feature which can be stressed is the fact that this level has been growing since 2007, when the OECD average had declined by 3.3 p.p.

Clearly reasons behind this situation are quite complex. Some are linked to problems in the area of public procurement leading to wasted spending. As special detailed analyses have been devoted to this topic, we are not addressing it specifically in our research.

Another important factor causing low performance has been a lacking political will to adopt a modern civil service act which would depoliticize and stabilize the public service. The Civil service act was finally adopted in December 2014 and came into force in 2015. Its impact on the functioning of the civil service and the development of the organizational culture is at the centre of our attention.

Due to the unsatisfactory quality of public administration in the Czech Republic, attempts at improving the functioning of the public administration bodies both at the central and self-government local levels are quite legitimate. The present research has been carried out due to this problem. The paper mainly focuses on the research methodology, which can be thought of as pioneering. A major part of the empirical research is based on the MAXQDA qualitative software, designed for data processing of the qualitative research. Using semi-structured interviews, the required data are obtained on the main principles of the public administration, the main processes, the social climate, and organisational structures of organisations. Mind maps are then used to define issues to be addressed showing the areas that need to be improved. Thus, it is expected that the research will contribute to an improvement in the functioning of those Czech institutions that are criticised by the European Commission and the OECD. This paper presents a sample of last year's

mind maps showing strengths and weaknesses of government institutions in the Czech Republic. The project will be finished in December of 2017.

2 Methodological Approach

The success of public policies is usually measured by outputs representing the amount of goods and services provided by governments and by outcomes in terms of welfare gains, educational gains, health gains, etc. It stands to reason that the outputs and outcomes are influenced by public management practices undertaken by governments to implement policies, as well as by behavioural factors and organizational culture of bodies executing public policies. Procedures are essential for ensuring the rule of law, accountability, fairness and transparency of actions which represent principles of good governance. In order to address such a complexity, we have developed a concept of social effectiveness of public administration which aims at integrating various perspectives supporting inclusive growth and building a fairer society. Thus, social effectiveness encompasses such components as coherent policy making, addressing public needs, coordination of conflicting goals, empowerment, motivation and satisfaction of public servants, creation of public value and participation and satisfaction of citizens with the public service outcomes. Basically, we derive this concept from the public value philosophy with respect to citizens and from social and ethical auditing in the public administration.

The public value approach, putting the citizen at the centre—considering him/her not only as a client of public administration but also as an actor in democratic processes—replaces the NPM philosophy serving anticipated needs of public service clients and using a regime of targets and key performance indicators. The experience has shown that the targets are focused on internal management, audit and control questions that may be operationally useful but often have little resonance with the public. The public value model stresses things which the public really value and reinstates the notion of citizenship which is missing in the target driven approaches to public service management (Hills and Sullivan 2006).

Social and ethical auditing emerged in the 1990s as a process of defining, observing, and reporting measures of the ethical behaviour and social impact of an organisation in relation to its aims and those of its stakeholders (Zadek et al. 1997). This area has developed significantly over time and De Colle and Gonella (2002) argue that both, methodology and focus have substantially differentiated. The motivation is complex, covering on one hand internal purposes, such as improving behaviour and organisational culture via shared values and ensuring alignment of company's policies, processes and individual behaviours with the stated values, and external purposes dealing with social issues and communicating the impact on key stakeholders on the other hand. Currently we can observe that social and ethical auditing and reporting (SEEAR) is being used by organisations as a strategic management tool and a communication tool going beyond traditional financial reporting, simultaneously enabling the organisation to engage in dialogue

with stakeholders. The experience shows that this is a very beneficial approach for companies. Its main elements are officially recommended by the OECD and the European Commission for improving corporate governance, and even a global standard called AA 1000 Accountability Principles focused on “securing the quality of social and ethical accounting, auditing and reporting” was developed. It stands to reason that SEEAR has also a great potential for public administration.

The approach also integrates principles of good governance as they have emerged in democratic states over time. There is no *acquis communautaire* in the public administration of the EU, but a consensus has established principles shared by Member States with different legal traditions and different systems of governance. These principles have been defined and refined through the jurisprudence of national courts and subsequently, the jurisprudence of the European Court of Justice. They encompass the rule of law principles of reliability, predictability, accountability and transparency on one hand, and also technical and managerial competence, organisational capacity and citizens’ participation on the other hand (Principles for Public Administration 2014, available at <http://www.sigmaxweb.org/publications/Principles-Public-Administration-Nov2014.pdf>).

We see social effectiveness of public administration as a complex concept involving such components as coherent policy making focused on the needs of society, coordination or conflicting goals, empowerment, motivation and satisfaction of public servants, public value, participation of citizens in public administration and their satisfaction with the outcomes. Put simply, social effectiveness may be defined as achievement of desired social objectives, which means effectiveness of public administration through the eyes of citizens. This concept reflects the principles of good governance, public value philosophy, as well as social and ethical auditing.

The main outcome of our research project will be a methodology for assessing social effectiveness which will be based on empirical research. In line with the above featured approach the data covering major building blocks, such as strategic planning, priority setting, coordination, risk management, leadership, transparency and accountability, stakeholder consultation, employee relations and organisational behaviour, participation of citizens, has been collected from central administration bodies, such as ministries and government agencies by means of semi-structured interviews, and focus group discussions. Czech citizens’ perceptions of public administration have been collected by a survey.

3 Empirical Research

The empirical research to be used as a basis for the methodology of the assessment of institutions implementing public policies consists of case studies carried out at ministries and other administration bodies and an enquiry into the citizen satisfaction with the public administration. This paper deals with analysis of qualitative data using the method of mind maps.

In our project, qualitative data characterize the management system, social climate and culture of the organizations carrying out public policies. To acquire the data, semi-structured interviews were conducted in five state administration bodies according to previously defined problem areas. Resulting from an expert analysis, these areas have been piloted and have passed an external examination at the public institutions in question.

List of Areas:

System of management and performance
 Communication with clients/citizens and other stakeholders
 Employment policy
 Education and training
 Diversity and equal opportunities
 Transparency
 Code of Conduct

Each of the above areas has been thoroughly analysed. As an example, we elaborate on the Code of Conduct area to demonstrate the use of mind maps.

3.1 Code of Conduct

1. Does the organisation have a clearly defined code of conduct?

If there is, then:

2. Is this code written? Are all the employees aware of the code? How is the code of conduct perceived in the organisation? Is the code of conduct meant for the entire state administration or is it specific for the organisation?

If there is not, then:

3. Do you think that it would be useful if a code of conduct were written down? Why yes, why not? What should be the shared values or rules for dealing with difficult situations?
4. Is there a person in the organisation who is concerned with ethical problems and/or can help if the code of conduct rules are not clear or relevant to a particular problem?
5. Does the organisation have a whistle-blowing policy?
6. Is the compliance with the code of conduct monitored on a regular basis and is the non-compliance sanctioned?
7. What are the organisation's anti-corruption rules and policy and how are cases of conflict of interests resolved?
8. Do the employees have discretion for taking decisions when the given rules are not followed?

3.2 Places of Enquiries: Public Institutions

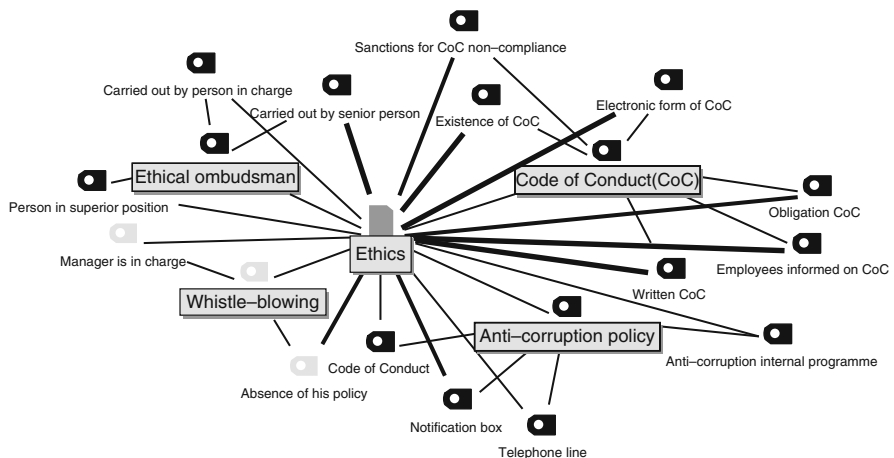
Data collected at five public administration bodies:

- Ministry of Industry and Trade,
- Ministry of Transport,
- Ministry of Culture,
- Czech Statistical Office
- State Fund for Housing Development

The collected data were analysed by a model technique using the MAXQDA qualitative software designed for the data processing within qualitative research. In particular, the interviews were rewritten and analysed by the grounded theory, which can be included among classic qualitative methods. The whole process of data collection and analysis was built on searching of concepts that were related to the research area and on subsequent uncovering of relationships among them. Various types of coding such as the tools for the text analysis were used. The interviews were subsequently analysed by the software MAXQDA, enabling simple sorting, structuring and analysis of a large quantity of text by a code of segment. Data were analysed according to individual areas and sub-areas and based on the content of interviews. The final outcome of data processing is the calculated strength of interconnections in individual mental maps.

3.3 Results of the Empirical Research: Example

The below picture summarizes the outcomes of our code of conduct research.



The above map shows the area of ethics and ethical management of an organisation. Having a written form, a code of conduct is the most prominent part of every organisation with each employee being informed about it, its rules being binding on all the members of the organisation and non-compliance being sanctioned.

Code of conduct as a tool of prevention that sets clear rules for the organisation to follow has become a standard part of public administration (Seknička and Putnová 2016, p. 146).

An ethical ombudsman, on the other hand, does not exist in organisations. In the interviews, as a rule, the respondents answered that this role is played by their superior. The finding that the person in charge of what happens in a workplace is regarded as an independent pundit suggests that this area is not well managed.

Another example is the concept of whistle-blowing. It is not clearly defined as part of an anti-corruption policy as an option to inform about a suspicion by phone, in writing or through a box. An anticorruption policy or even an anti-corruption programme is usually included in a code of conduct.

A clearly outlined problem area shows both strengths and weaknesses of the ethical infrastructure, quickly showing the institutions where the survey was carried out the right direction.

4 Summary

This paper aims to contribute to an assessment of functioning and finding ways to improve public administration. The research is among the first in the Czech Republic. The authors are aware of the facts that such a sophisticated system as public administration cannot, in its entirety, be covered by research within 2 years, which is the time allocated to this project. Nevertheless, they are convinced that the existing outcomes already yield original results. The method employed has already been verified and the authors are convinced that it can assess important features of public administration bodies. It will be the task of further research to find other links with the efficiency of public administration and other subject areas listed in the Methodology part.

The present paper brings a sample of results achieved by a method of mind maps. To our knowledge, this type of research has not yet been used to investigate the efficiency of public institutions. Using semi-structured interviews, maps may be drawn of the strengths and weaknesses in the effectiveness of public institutions defining problem areas that need increased attention. The subject areas selected for research have been tested in a pilot project with representatives of the institutions in which the survey was carried out providing their comments. A set of such mind maps provides a good basis for detecting the particular barriers to improving services rendered as part of public policies. At the same time, it suggests further application areas of this original method on a local or regional scale. The value

added by this research consists not only in assessing a given public administration body using a predefined methodology but also in formulating recommendations/collecting good practices.

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